



Michigan  
*Office of the Auditor General*  
**REPORT SUMMARY**

***Financial Audit***

*Including the Provisions of the Single Audit Act*

Report Number:  
76-100-06

***Department of Environmental Quality***

*October 1, 2003 through September 30, 2005*

Released:  
June 2006

*A Single Audit is designed to meet the needs of all financial report users, including an entity's federal grantor agencies. The audit determines if the financial schedules and/or financial statements are fairly presented; considers internal control over financial reporting and internal control over federal program compliance; determines compliance with State compliance requirements material to the financial schedules and/or financial statements; and assesses compliance with direct and material requirements of the major federal programs.*

***Financial Statements and Financial Schedules:***

**Auditor's Reports Issued**

We issued unqualified opinions on the Department of Environmental Quality's (DEQ's) financial statements and financial schedules.

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**Internal Control Over Financial Reporting**

We did not report any findings related to internal control over financial reporting.

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**Noncompliance or Other Matters  
Material to the Financial Statements  
and/or Financial Schedules**

We did not identify any instances of noncompliance or other matters applicable to the financial statements and/or financial schedules that are required to be reported under *Government Auditing Standards*.

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***Federal Awards:***

**Auditor's Reports Issued on Compliance**

We audited 8 programs as major programs and issued 8 unqualified opinions. The federal programs audited as major programs are identified on the back of this summary.

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**Internal Control Over Major Programs**

We did not identify any material weaknesses in internal control over major programs. However, we did identify reportable conditions (Findings 1 and 2).

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**Required Reporting of Noncompliance**

We identified instances of noncompliance that are required to be reported in accordance with U.S. Office of Management and Budget (OMB) Circular A-133 (Finding 2).

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***Systems of Accounting and Internal Control:***

We determined that DEQ was in substantial compliance with Sections 18.1483 - 18.1487 of the *Michigan Compiled Laws*.

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We audited the following programs as major programs:

<b><u>CFDA Number</u></b>	<b><u>Program Title</u></b>	<b><u>Compliance Opinion</u></b>
11.419	Coastal Zone Management Administration Awards	Unqualified
66.001	Air Pollution Control Program Support	Unqualified
66.419	Water Pollution Control State and Interstate Program Support	Unqualified
66.432	State Public Water System Supervision	Unqualified
66.458	Capitalization Grants for Clean Water State Revolving Funds	Unqualified
66.460	Nonpoint Source Implementation Grants	Unqualified
66.801	Hazardous Waste Management State Program Support	Unqualified
66.802	Superfund State, Political Subdivision, and Indian Tribe Site-Specific Cooperative Agreements	Unqualified

A copy of the full report can be obtained by calling 517.334.8050 or by visiting our Web site at: <http://audgen.michigan.gov>



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